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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

Federal Communications Commission
Office of the Secretary

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In the Matter of
Billed Party Preference
for 0+ InterLATA Calls

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CC Docket No. 92-77

REPLY COMMENTS

MCI Telecommunications Corporation (MCI) hereby submits reply comments in the above-captioned proceeding. The majority of the commentors support the establishment of 0+ dialing as public domain access and ask the Commission to require that interexchange carriers (IXCs) using this access method make billing and validation information available to all carriers. The commentors also ask that the Commission require that proprietary calling cards use proprietary access methods.^{1/}

The record thus far developed shows that the American Telephone and Telegraph Company (AT&T) currently enjoys an unearned and unwarranted competitive advantage because its so-called "proprietary" calling card employs 0+ access. Moreover, the record overwhelmingly demonstrates that AT&T has implemented a marketing strategy in connection with its CIID card, including the release of misleading and deceptive public representations designed to frustrate, indeed eliminate, competition in the

^{1/} See, Comments filed by the Competitive Telecommunications Association (CompTel), the American Public Communications Council (APCC), PhoneTel Technologies, Inc., Zero Plus Dialing, Inc., Value-Added Communications, Inc., Capital Network System, Inc., International Telecharge, Inc. and Comtel Computer Corporation.

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operator services market^{2/}. For example, AT&T told LEC card customers to destroy their LEC-issued 0+ cards because they would no longer work and to replace them with AT&T's CIID card. In addition, AT&T advises premise owners that, because it has a dominant share of the card market and 0+ service, it can accept most of the calling cards in circulation, whereas its competitors cannot accept calls using AT&T's 0+ card. Therefore, AT&T informs premise owners that it is in a position to pay a greater amount in commissions by virtue of its dominant position, and that selection of another carrier would only result in a diminution of the amount of commissions paid to them. The result of these undertakings is that AT&T is able to retain a dominant share of this business by extinguishing the insubstantial competition that followed payphone presubscription.

Although the deployment of billed party preference (BPP) will eliminate AT&T's advantage, it will not be implemented in the near term. Therefore, in order to attempt to save competition in the operator services market until BPP can be implemented, IXCs that instruct their card customers to dial 0+ must be required to share billing and validation data for their cards. By establishing 0+ as public domain access, consumers will be able to place 0+ card calls from any phone because all OSPs will be able to carry the calls. Accordingly, this will increase competition. In addition, IXCs should be required to

^{2/} See, Comments of the NYNEX Telephone Companies (NYNEX), CompTel and APCC.

use proprietary access code dialing for proprietary calling cards.

There are a number of benefits in establishing 0+ dialing as public domain access. For example, placing 0+ in the public domain now will establish a logical transition to BPP, under which callers will utilize 0+ as the dialing pattern to access all carriers. 0+ dialing also is a simple and convenient access method for callers which, as demonstrated by the comments of the SDN Users Association, Inc., consumers want. In addition, many of the blocking problems faced by consumers would be eliminated if 0+ dialing were in the public domain because carriers would be able to bill and validate all 0+ card calls. Thus, consumers would be able to place 0+ card calls from any phone which would increase consumer choice. This proposal also is capable of being implemented immediately by all carriers.

Thus, the record demonstrates that establishing 0+ dialing as public domain access is in the public interest. Accordingly, MCI urges the Commission to adopt this proposal without delay. It must be stressed, however, that this is an interim measure until BPP can be implemented, which will provide consumers with true "equal access" to their carrier-of-choice. Accordingly, 0+ public domain is not a substitute for BPP and should not delay the implementation of BPP.

A few commentators oppose the establishment of 0+ dialing as public domain access and argue that IXCs using 0+ access should not be required to make billing and validation information

available to all carriers^{3/}. They also argue that IXCs should not be required to block 0+ calls made by using a proprietary card. In support of their position, the commentators make three arguments: 1) it is not technically possible for the LECs or AT&T to reject 0+ calls; 2) consumers and IXCs will be adversely affected if a carrier other than the card issuer can complete their card calls; and 3) LECs will lose intraLATA revenues if AT&T instructs its cardholders to dial an access code. As demonstrated below, these arguments are without merit.

LECs,^{4/} AT&T and Sprint argue that neither the LECs nor IXCs currently can reject 0+ calls billed to a proprietary card because 0+ and 10XXX - 0+ calls are routed over the same trunks. They argue that requiring 0+ access to be blocked will be extremely costly to implement and could not be accomplished for a number of years, by which time BPP could be implemented. Accordingly, they argue that the Commission should not require that 0+ calls made with a proprietary card be blocked.

As an initial matter, the Commission has not proposed, and MCI does not support, a requirement that LECs block access to 0+ calls made using a proprietary calling card. Accordingly, the LECs should incur no costs and their arguments on this point are thus mooted. Moreover, establishing 0+ dialing as public domain

^{3/} See, Comments of AT&T, Sprint Communications Company (Sprint), NYNEX, the Ameritech Operating Companies (Ameritech), Bell Atlantic, GTE, US West Communications, Inc., Southwestern Bell Telephone Company and the SDN Users Association, Inc.

^{4/} See, Comments of Ameritech and NYNEX.

access would not necessarily require IXCs to block 0+ calls. Rather, IXCs would have a choice among options--they could make billing and validation data available for cards capable of 0+ access or advertised with 0+ access, or they could require their customers to dial a proprietary access code to use a proprietary calling card.

AT&T also argues that it would be "anticompetitive" to require it to provide billing and validation data and thus make available customer data to competitors. AT&T, however, would not be required to make such data available if it did not allow 0+ dialing for its card. As an alternative, AT&T could require its customers to use a proprietary access method.

Moreover, even if a carrier decided to make billing and validation data available, it would not have to give its competitors access to proprietary customer information. As demonstrated by International Telecharge, Inc. (ITI) and Zero Plus Dialing, Inc., OSPs could validate AT&T's CIID cards using the line information database (LIDB) hub that is used to validate LEC calling card calls. In addition, CIID card translation data could be provided to a LEC or a third party to act as a clearinghouse for translation of CIID card call records to billing telephone numbers for billing through the LEC. In this manner, competitive OSPs would not have access to any proprietary customer information.

GTE, US West, Southwestern Bell and AT&T argue that consumers would be adversely affected if OSPs other than the card

issuer could complete calls made using its card because 1) consumers would be confused if another carrier completed and billed the call; and 2) consumers would lose their ability to choose their carrier-of-choice.

As a result of the requirements of the Telephone Operator Consumer Services Improvement Act (TOCSIA), consumers who choose to dial 0+ will not be the unsuspecting victims of an OSP because TOCSIA requires that the name of the presubscribed OSP be listed on aggregator telephones and that the OSP brand the call twice before completing the call. TOCSIA also requires the OSP to provide its rates if requested by the consumer. Accordingly, consumers should be fully aware of the identity and the rates of the OSP completing a 0+ call. In addition, with respect to AT&T's CIID card, the comments demonstrate that LECs can bill and validate this card. Thus, consumers who make 0+ calls using the CIID card do not always access AT&T and, therefore, should not have an expectation that they always will access AT&T.

Moreover, consumers would not lose their ability to choose their carrier-of-choice because they can always select their preferred carrier by dialing that carrier's access code. AT&T argues that if it must block 0+ access customers may not be able to reach it because 10XXX is blocked at many locations. However, the Commission has required all carriers to establish an access method other than 10XXX, so AT&T's customers should be able to access it by dialing that access code.

Finally, the LECs argue that they will lose intraLATA

revenues if 0+ is established as public domain access. According to the LECs, if the Commission adopts this proposal, AT&T will not share its billing and validation data. Rather, AT&T will encourage its customers to dial an access code. Therefore, intraLATA calls dialed on a 0+ basis using an AT&T card, which currently are carried by the LEC, will be routed to AT&T.

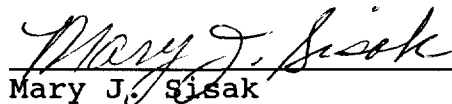
The LECs' argument is speculative and should be rejected because it is not known at this time how each carrier would implement a Commission decision mandating 0+ dialing as public domain access. In any event, the LECs' argument is contrary to the intent of the TOCSIA and the goal that consumers should be able to access their carrier-of-choice.

Based on the foregoing, MCI respectfully urges the Commission to adopt the recommendations contained herein and in its comments.

Respectfully submitted,

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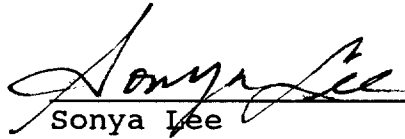
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Dated: June 17, 1992

CERTIFICATE OF SERVICE

I, Sonya Lee, do hereby certify that on this 17th day of June, 1992, copies of the foregoing "**Reply Comments**" in CC Docket No. 92-77 were served by first-class mail, postage prepaid, unless otherwise indicated, upon the parties on the attached list.



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